

**Written Testimony of
National Alliance to End Homelessness
Before the
Subcommittee on Income Security and Family Support
Committee of Ways and Means
U.S. House of Representatives**

**Hearing on *The “Safety Net’s” Response to the Recession*
October 8, 2009**

The National Alliance to End Homelessness is grateful to Chairman McDermott, Ranking Member Linder, and the Members of the Subcommittee on Income Security and Family Support of the Committee of Ways and Means for the opportunity to submit testimony on the “Safety Net’s’ Response to the Recession,” the subject of the October 8, 2009 hearing.

There is probably no better barometer for how well our nation’s safety net is protecting vulnerable citizens than data from homelessness shelter programs. Many communities are seeing sharp increases in the number of families seeking shelter. Over 9,000 families with children are in shelter programs in New York City on any given night.¹ Massachusetts is currently housing 3,000 homeless families each night. With capacity to shelter 2,000 families, Massachusetts is supporting 1,000 families in motels at a cost of \$2 million a month.² A shelter program in Salt Lake City reports a 37 percent increase in requests for emergency shelter from 2007.³ Other states and communities are reporting a surge in families in doubled up situations, families residing temporarily with extended family and friends.

Prior to the onset of the recession, many communities were in the midst of transforming their homeless shelter system to help individuals and families transition more rapidly back into housing within their community. Targeting their scarce resources strategically and focusing on achieving stable housing outcomes paid great dividends. Many communities saw reductions in homelessness, particularly among those whose history of homelessness was seemingly intractable.

In early 2009, the National Alliance to End Homelessness reported that homelessness could grow by 1.5 million due to the recession if no corrective action were taken.⁴ The American Recovery and Reinvestment Act (ARRA) included \$1.5 billion for the Homelessness Prevention and Rapid Re-Housing Program that could be used by local communities to prevent homelessness and help those who become homeless transition

¹ New York City Department of Homeless Services. Daily Census. October 19, 2009. www.nyc.dhs.gov.

² According to R. Pulster, Massachusetts Interagency Council on Homelessness in J. McKim “State distributes \$7.9 million in grants to aid homeless.” *Boston Globe*. October 10, 2009.

³ Interview with Matthew Minkevitch, Executive Director of The Road Home in B. Adams “Recession: Hard times on rise for the poorest of Utahns.” *Salt Lake Tribune*. September 29, 2009.

⁴ National Alliance to End Homelessness. *Homelessness Looms as Potential Outcome of Recession*. January 23, 2009. <http://www.endhomelessness.org/content/article/detail/2158>.

back into housing. These new funds provide new tools to local communities to respond to increasing demand and avoid the need for building, and institutionalizing, large shelter systems which are draining to children, families, and neighborhoods. These resources are greatly needed. The funding reached communities on October 1 and there are indications that resources will be quickly depleted

As always, the homeless shelter programs are responding with vigor to the pressing need for assistance, a need which too often overwhelms their available resources. And they continue to build their capacity for efficiency, recognizing that each dollar saved can be used to help another in need. Local communities will need more resources from HUD to meet the needs of homeless individuals and families and Congress should ensure adequate resources are available. But homeless shelter systems should not be our nation's safety net. Our children deserve better.

Improve the Temporary Assistance to Needy Families (TANF) Program

The Temporary Assistance Needy Families (TANF) program has lagged behind other social programs in responding to families impacted by the recession. The program's failure to meet the needs of low-income families is not new; the recession may merely magnify what has become a systemic failure.

Less than 40 percent of families eligible for TANF cash assistance are receiving that assistance.⁵ Study after study indicates that families that include a parent or a child with a disability are disproportionately impacted by policies that reduce or eliminate assistance when program rules are not adhered to. Communities that have piloted sanction reconciliation programs, providing outreach and in-depth family assessments to help families become compliant with program rules, often find parents with previously undetected barriers to employment, such as a developmental or mental health disability that impeded program compliance. With appropriate supports, families' cash assistance benefits are reinstated and more intensive services may be offered to help parents transition to work, receive appropriate treatment or rehabilitative services, or, if appropriate, apply for Supplemental Security Income (SSI) benefits. Unfortunately these initiatives are not widely implemented.

While fewer families are receiving assistance, the number of families living in deep poverty has grown. In dire need, families may face numerous barriers in accessing cash assistance. When economic jolts result in homelessness, the families may turn first to extended family and friends. When their social support system is no longer able to provide support, they turn next to shelters. For far too many families, including those with significant needs and challenges, the TANF agency has simply ceased to be a viable source of assistance. The Connecticut Coalition to End Homelessness reports only 36 percent of families in shelter programs are receiving TANF assistance.

⁵ L. Schott. *Policy Basics: Introduction to TANF*. Center on Budget and Policy Priorities. Rev. March 19, 2009. <http://www.cbpp.org/cms/index.cfm?fa=view&id=936>

Of course, families who are receiving TANF assistance are not immune to homelessness either. Over the last two decades, the value of cash assistance has been far outpaced by the sharply rising cost of housing in most communities. The average state grant for a family of three is \$425.⁶ In only one state, Alaska, will TANF cash assistance lift a family above 50 percent of the federal poverty level and in 20 states, TANF cash assistance provides families with benefits below 25 percent of the poverty level. In every state of the country, the market rent for a modest 2-bedroom apartment exceeds 100 percent of the TANF cash assistance benefit for a family of three.⁷

In some instances, local TANF agencies have greatly enhanced their capacity to respond to families in crisis by shifting their response to housing crises. New York and New Jersey are examples of states which traditionally used TANF resources to support families with housing crises in shelters that are increasingly relying on income supplements or temporary rental assistance to help families avoid shelter stays and relocate to housing within their community. The efforts of these states should be applauded and the successful strategies they use should be replicated.

TANF Emergency Contingency Fund

ARRA included \$5 million for a TANF Emergency Contingency Fund to help states with increased costs incurred by expanding cash assistance to eligible populations, provision of short-term non-recurrent benefits (such as four months of rent assistance to prevent or end a homeless episode), and subsidized employment. The funds can reimburse states for up to 80 percent of their increased expenditures in these areas.

The TANF Emergency Contingency Fund is allowing many states to extend critically needed supports to low-income families and, in some instances, has allowed states to avoid draconian cuts to social programs. There remains a concern, however, that not all states heavily impacted by the recession will draw down the additional resources. Because their TANF program has not responded to the increased needs of families, there has not been a corresponding increase in eligible spending. Given many states' tight budget situations, state legislators are reportedly reluctant to increase spending even when 80 percent of costs will be reimbursed. As a result, many vulnerable families are not receiving needed assistance, including families experiencing homelessness.

The Subcommittee should:

- Encourage the Administration to promote states' use of the TANF Emergency Contingency Fund.

⁶ Z. Levinson & L. Schott. TANF benefits are low and have not kept pace with inflation. Center on Budget and Policy Priorities. November 24, 2008. <http://www.cbpp.org/pdf/11-24-08tanf.pdf>

⁷ Fair market rents available from K. E. Wardrip, D. P. Pelletiere, & S. Crowley. *Out of Reach 2009: State Summary Table*. National Low Income Housing Coalition. <http://www.nlihc.org/oor/oor2009/statesummary.pdf>

- Extend availability of TANF Emergency Contingency Fund to support families in states with continued high needs. At this point, states are reluctant to expand services, knowing that the enhanced funding will expire in less than a year.
- If such an extension is granted, the Subcommittee should ensure states have the tools necessary to use resources, including providing a higher reimbursement rate should certain conditions be met

TANF Reauthorization

The Subcommittee on Income Security and Family Support is expected to begin work on TANF reauthorization in early 2010. As the Subcommittee takes a leadership role in reauthorizing the TANF program, it must ensure that the program is sufficiently flexible and incentivized to be responsive to future spikes in need.

The poor program coverage of eligible families and the federal policies that rewarded states for declines in caseloads, regardless of outcomes for families, cannot be presumed to be coincidental. States should no longer be rewarded for reductions in caseloads, particularly in instances when the withdrawal of supports for low-income families is occurring with deepening need. States should instead be rewarded for using the TANF program to reach a higher proportion of families experiencing poverty, especially those living in extreme poverty with significant barriers to economic self-sufficiency. Further, states should be required to use resources to achieve outcomes that lift families out of deep poverty and provide adequate resources so that parents can care for their children.

When reauthorizing TANF, the Subcommittee should:

- Dismantle the caseload reduction credit;
- Reward states for using resources to engage and support families living in extreme poverty;
- Modify the work participation rate to allow a broad range of activities that result in enhanced family self-sufficiency or well-being to be counted;
- Allow states that have developed modified work plans to accommodate families that include a person with a disability to count those families as meeting the work participation requirements when the plan is adhered to;
- Require states to institutionalize screening and assessment policies to prevent families that include people with disabilities from losing benefits due to sanctions or time limits and ensure they receive appropriate supportive services;
- Require states to adhere to an HHS-determined income floor for cash assistance based on family size;
- Provide states the option of drawing down a pool of funds that can be used for in depth assessments and specialized services for families who may require more intensive service supports including:
 - mental health and substance abuse treatment assessments;
 - service coordination with qualified providers;
 - specialized job development for those with significant barriers to work (individuals with disabilities);

- assessments and intensive case management services for families who are at risk of losing benefits for failure to meet work participation requirements or due to time limits; and
- Provide dedicated resources to provide TANF agencies the tools to respond to the crisis needs of families, including imminent or current episodes of homelessness.

We are grateful to the Subcommittee for holding this important hearing and extending the opportunity to submit testimony. We look forward to work with the Subcommittee to protect families at risk of homelessness in the future.